

December 18, 2007

NORTHWESTERN ENERGY TO BOOST WIND POWER IN MONTANA

Northwestern Energy has announced that the utility is looking into producing more electricity from wind power in order to comply with a Montana law and increasing power demands.

Company officials say they're putting the brakes on new coal production until there is a policy on costs involved in treating green house gases.

NorthWestern Energy's Claudia Rapkoch says that while utilities have greater control over producing and the pricing of its own power, there are financial risks associated with coal production.

"There have been discussions on carbon tax, all sorts of treatment for green house gases. There's so much uncertainty out there that until there's some clarity and until there is legislation or policy decision as to how these costs will be treated, its too uncertain to even wade into that resource"

Rapkoch adds that even though the company will meet the state's goal of producing 15% of its energy from renewable sources by 2015, the company will face a deficit by 2014. She says the utility will continue to purchase power from the open market to handle the shortfall.

NorthWestern Energy has announced plans to double its wind power capacity over the next seven years after a biennial plan released by the utility on Monday showed that its generating capacity will be in a deficit by 2014.

However, the South Dakota-based company doesn't foresee any new coal plant construction due to uncertainty over global warming.

NorthWestern Energy will need to build at least 150 megawatts of wind projects in order to comply with a 2005 Montana law which requires utilities to get at least 15% of their energy from renewable sources by 2015.

The additional wind power will only partially meet rising demand for electricity across the region and with coal out of the picture, company officials say they envision buying more of the utility's power on the open market to help fill the gap.